



**United States Department of the Interior**  
**Fish and Wildlife Service**  
DIVISION OF FINANCIAL MANAGEMENT



Financial Management Memorandum

FMM 2007-002

Title: Financial Assistance Agreements FFS Guidance

November 27, 2006

---

**Purpose:** To update FFS instructions relating to Late Fees / Interest Payments on Financial Assistance Agreements.

**Background:**

FFS Bulletin 01-06 provided the specific laws and FFS instructions to ensure that Financial Assistance Agreements (Budget Object Class 41--) did not incur late payment fees. In addition, OMB Circular A-110 states that "When the reimbursement method is used, the Federal awarding agency shall make payment within 30 days after receipt of the billing, unless the billing is improper." Although payment must be made within 30 days, prompt payment rules do not apply and no interest shall be made on late payments.

**Impact:**

FFS Bulletin 01-06 is appended to ensure late interest is not paid on financial assistance agreements. To avoid paying interest charges for late payments on Assistance Agreements, Federal Financial System (FFS) users must enter an "N" in the "Prompt Pay Typ" field on all payment documents for Assistance Agreements. The attached Payment Instructions for Late Fees/Interest Payments on Assistance Agreements provides details of proper procedures for entering payment documents for Assistance Agreements to FFS. These instructions are to be followed by FWS Regions and the DOI NBC and were effective beginning October 1, 2006.

Tom Angus  
Acting Chief, Division of Financial Management

Attachments

OPR: DFM/*FSB*

Distribution: Regional BFO and Washington Office Finance Contacts

Author: Sandy Sprunt

Expiration Date: until superceded

Website:

<http://dfm.fws.gov/policies%20&%20forms/ffs%20bulletins/FFS%20Bulletin%2001-06.pdf>

**DIVISION OF FINANCIAL MANAGEMENT**  
**PAYMENT INSTRUCTIONS**  
**for**  
**Late Fees/Interest Payments on Assistance Agreements**  
**Effective October 1, 2006**

Assistance Agreements are covered by OMB Circular A-110. OMB Circular A-110 states that "When the reimbursement method is used, the Federal awarding agency shall make payment within 30 days after receipt of the billing, unless the billing is improper." Although payment must be made within 30 days, prompt payment rules do not apply and no interest shall be made on late payments.

Beginning October 1, 2006, enter an "N" in the "Prompt Pay Type" field for all payment documents for Assistance Agreements. This practice will avoid interest charges for late payments on these agreements.

Example showing payment made under the new procedures:

1 - NBC

File Edit Transfer Fonts Options View Window Help

STATUS: ACCPT DOCID: PP BATID: SEC2:  
FIELD PAYMENT HEADER INPUT SCREEN

VENDOR CODE: 803740871 TRANS TYPE: 01 DOC TOTAL: 5000.00  
ACCP DATE: 12 31 2005 LOG DATE: 05 08 2006  
VEND INVN: 45-6002467 INV DATE: 02 21 2006

REP DOC#: 06 6018137405A INT REASON: DISC LOST REASON:  
COMMENTS TO PRINT: VENDOR NO 45-6002467 AMT 5000.00 2/21/06 SCHEDULE CAT: A  
SCHED PYMT DATE: 05 04 2006 AGENCY HEAD APPROVL: Y PROMPT PAY TYP: N  
DESCR: BFFY: ACTION:

DISCOUNT 3: / AMOUNT: DAYS:  
DISCOUNT 3: / AMOUNT: DAYS:  
DISCOUNT 3: / AMOUNT: DAYS:

NAME: NORTH DAKOTA GAME & FISH DEPT  
ADDRESS1: 100 NORTH BISMARCK EXPRESSWAY  
2:  
3: YV  
4: BISMARCK ND 585015095

4-0 1 NBC 199.5.236.1 \$ 1/1

Type an "N" in the Prompt Pay Type for all Assistance Agreement Payments.

start Sandra L Sprunt... 2 Microsoft Word 1 - NBC 3:18 PM